

TAX CREDIT ANALYSIS

Program Name: Community College New Jobs Training Program		
Department: Economic Development	Contact Name & No.: Amy Sublett, 526-8271	Date: October, 2011
Program Category: Education and Training	Type: Appropriation based on employer withholding	
Statutory Authority: 178.892-178.896, RSMo.	Applicable Taxes: N/A - is an appropriation of funds, not a credit	

Program Description and Eligibility Requirements:
 Companies creating a substantial number of new jobs may qualify for training assistance through this program. This program is best suited for large attraction & expansion projects creating a substantial number of new jobs. Generally, funds are generated through the sale of certificates by the community college district. The debt is then retired by deferring a portion of the state employer withholding tax - approximately 2% - on the newly created jobs. Eligible companies include manufacturing, research and development, and companies engaged in interstate commerce.

Explanation of How Award is Computed: Entitlement _____ Discretionary ☒ X
 A formula using the number of jobs to be created and the average annual salary of the workers in the new jobs calculates the amount that can be generated for the sale of certificates. Discretionary measures such as review of types of industry and wage rates paid are considered before approving a project.

Program Cap: Cumulative \$55 million (remainder of cumulative cap) \$42,669,969 Annual \$ _____ None _____
Explanation of cap: There is a statewide cap of \$55 million on the amount of outstanding debt (total outstanding certificates) there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

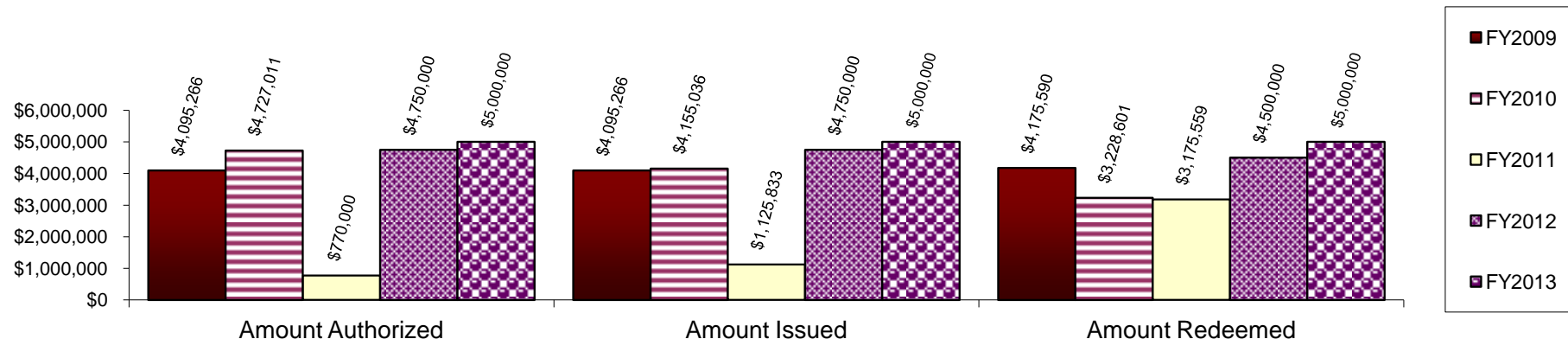
Explanation of Expiration of Authority: Program sunsets July 1, 2018

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 (current year)	FY 2013 (budget year)
Certificates Issued (#)	3	5	2	5	5
Projects (#)	3	5	2	5	5
Amount Authorized	\$4,095,266	\$4,727,011	\$770,000	\$4,750,000	\$5,000,000
Amount Issued	\$4,095,266	\$4,155,036	\$1,125,833	\$4,750,000	\$5,000,000
Amount Redeemed	\$4,175,590	\$3,228,601	\$3,175,559	\$4,500,000	\$5,000,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



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Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (10 years)	Derivation of Benefits
BENEFITS			Investment: (a) n/a Employment: (a) 100 new jobs in Utilities (0 displaced) in 2011-2020 at average wages of \$52,000 following training after 3 years. Incentives/Credits: (a) \$770,000 in authorized NJTP incentives between 2011-2017. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11).
Direct Fiscal Benefits	\$1,124,090	\$11,227,953	
Indirect Fiscal Benefits	\$313,665	\$3,133,039	
Total	\$1,437,755	\$14,360,992	
COSTS			
Direct Fiscal Costs	\$128,333	\$728,377	
Indirect Fiscal Costs	\$0	\$0	
Total	\$128,333	\$728,377	
BENEFIT: COST	11.20	19.72	

Other Benefits:

In FY 11, every dollar of authorized program tax credits returns:

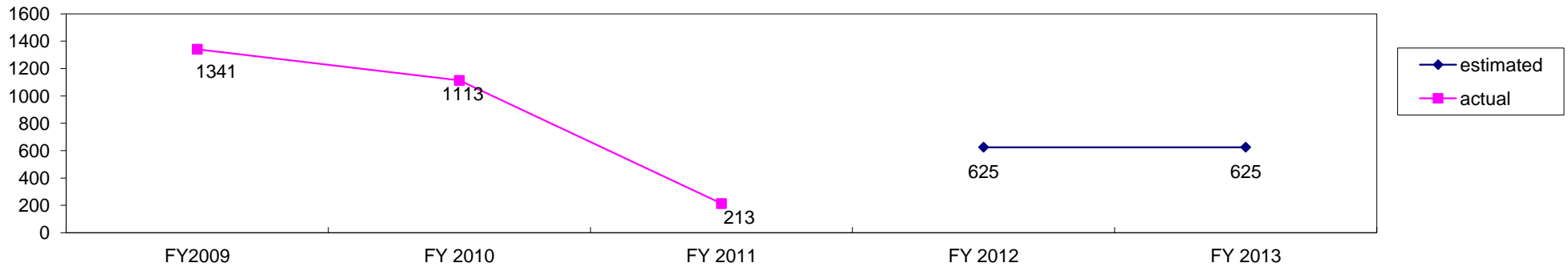
\$78.83 in new personal income totaling \$10.12 million
 \$319.60 in new value-added/GSP totaling \$41.02 million
 \$536.41 in new economic output totaling \$68.84 million.

Over 10 years, every dollar of authorized program tax credits returns:

\$153.61 in new personal income totaling \$111.89 million
 \$577.04 in new value added/GSP totaling \$420.31 million
 \$985.41 in new economic output totaling \$717.75 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created

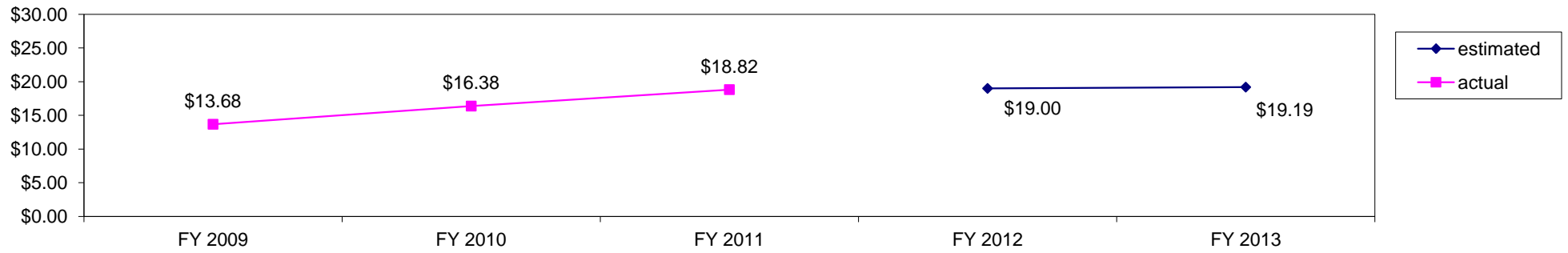


Comments on Performance Measure:

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Average Wage



Comments on Performance Measure: